

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7469

BILL NUMBER: HB 1457

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Clean energy improvement financing district.

FIRST AUTHOR: Rep. Neese

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows the legislative body of a political subdivision (other than a township) to establish a clean energy improvement financing district (district) for the purpose of issuing bonds to fund clean energy improvements for voluntary participants in the program. The bill provides that the bond proceeds are used to pay all costs associated with the improvements and that assessments are imposed only on participating property owners to repay the bonds. It establishes a 20 year period for bond repayment and for the payment of assessments on each property. The bill also provides that assessments are billed, collected, and enforced in the same manner as property taxes.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under this bill, the legislative bodies of one or more taxing units, excluding townships, may establish a district. One of the units would be designated to administer the district. This unit would be the designating body and would have to possess the authority to issue bonds.

Property owners in the district could apply to the designating body to participate in the clean energy improvement financing program. If approved, the district would finance the property owner's cost of clean energy improvements.

The designating body would be required to issue bonds in anticipation of the collection of special

assessments. The bonds would be payable over a 20 year term. These bonds would not be an obligation of the taxing unit that issues them and would be payable solely from special assessments.

Each year, the designating body would calculate a special assessment for each participant based on the cost of improvements installed on each property. The designating body would be able to adjust the assessments to ensure that collections are sufficient to make bond payments.

A clean energy improvement financing program could encourage additional development. Any fiscal impact would depend on local action.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local civil taxing units, except townships, and school corporations.

Information Sources:

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